

508C.5 Definitions.

As used in this chapter, unless the context otherwise requires:

1. “Account” means any of the four accounts created under section 508C.6.
2. “Association” means the Iowa life and health insurance guaranty association created in section 508C.6.
3. “Commissioner” means the commissioner of insurance.
4. “Contractual obligation” means an obligation under a covered policy or contract or a certificate under a group policy or contract, or a portion thereof for which coverage is provided under section 508C.3.
5. “Covered policy” means a policy or contract within the scope of this chapter as provided under section 508C.3.
6. “Extra-contractual claim” means, without limitation, a claim relating to bad faith in the payment of claims, punitive or exemplary damages, or attorney fees and costs.
7. “Impaired insurer” means a member insurer which, after July 1, 1987, is not an insolvent insurer but is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.
8. “Insolvent insurer” means a member insurer which, after July 1, 1987, is placed under an order of liquidation with a finding of insolvency by a court of competent jurisdiction.
9. “Member insurer” means a person licensed or who holds a certificate of authority to transact in this state any kind of insurance for which coverage is provided under section 508C.3, including a person whose license or certificate of authority in this state has been suspended, revoked, not renewed, or voluntarily withdrawn but not including any of the following:
 - a. An entity which is a licensed company specified in section 508C.3, subsection 3, paragraph “e” or “f”.
 - b. A mandatory state pooling plan.
 - c. A mutual assessment company or other person which operates on an assessment basis.
 - d. An insurance exchange.
 - e. An entity which issues a charitable gift annuity under chapter 508F.
 - f. An entity similar to any of the entities enumerated in this subsection.
10. “Moody’s corporate bond yield average” means the monthly average corporate bond yields published by Moody’s investors service, inc., or any successor thereto.
11. “Owner” of a policy or contract, “policy owner”, or “contract owner” means the person who is identified as the legal owner of a policy or contract under the terms of the policy or contract or who is otherwise vested with legal title to the policy or contract through a valid assignment completed in accordance with the terms of the policy or contract and properly recorded as the owner on the books of the insurer. “Owner”, “policy owner”, or “contract owner” does not include a person with a mere beneficial interest in a policy or contract.
12. “Person” means an individual, corporation, limited liability company, government or governmental subdivision or agency, business trust, estate, trust, partnership, association, or any other legal entity.
13. “Premium” means amounts or consideration, by whatever name called, received on covered policies or contracts less returned premiums, considerations, and deposits and less dividends and experience credits. “Premium” does not include amounts for consideration received for policies or contracts or for the portions of policies or contracts for which coverage is not provided under section 508C.3, subsection 3, except that assessable premium shall not be reduced on account of the provisions of section 508C.3, subsection 3, paragraph “a”, relating to interest limitations and section 508C.8, subsection 8, paragraph “a”, subparagraph (2), subparagraph division (a), relating to limitations with respect to one individual, one participant, and one owner. “Premium” also does not include any of the following:
 - a. Premiums in excess of five million dollars on an unallocated annuity contract not issued under a governmental retirement plan, or its trustee, established under section 401, 403(b), or 457 of the United States Internal Revenue Code.
 - b. With respect to multiple nongroup policies of life insurance owned by one owner, whether the policy owner is an individual, firm, corporation, or other person, and whether

the persons insured are officers, managers, employees, or other persons, premiums in excess of five million dollars with respect to those policies or contracts, regardless of the number of policies or contracts held by the owner.

14. “*Resident*” means a person to whom a contractual obligation is owed and who resides in a state on the date of entry of a court order that determines a member insurer is an impaired insurer or a court order that determines a member insurer is an insolvent insurer, whichever occurs first. A person may be a resident of only one state, which in the case of a person other than a natural person shall be the state of that person’s principal place of business. A citizen of the United States who is a resident of a foreign country, or is a resident of a United States possession, territory, or protectorate that does not have an association similar to the association created by this chapter, shall be deemed a resident of the state or domicile of the insurer that issued the policy or contract.

15. “*State*” means a state, the District of Columbia, Puerto Rico, or a United States possession, territory, or protectorate.

16. “*Structured settlement annuity*” means an annuity purchased in order to fund periodic payments for a plaintiff or other claimant in payment for or with respect to personal injuries suffered by the plaintiff or other claimant.

17. “*Supplemental contract*” means a written agreement entered into for the distribution of proceeds under a life, health, or annuity policy or contract.

18. “*Unallocated annuity contract*” means a guaranteed investment contract, deposit administration contract, or any other annuity contract which is not issued to and owned by an individual, except to the extent of any annuity benefits guaranteed to an individual by an insurer under such a contract or certificate.

87 Acts, ch 223, §5; 88 Acts, ch 1135, §4 – 6; 90 Acts, ch 1234, §19, 20; 98 Acts, ch 1057, §7; 2010 Acts, ch 1063, §8 – 15

Subsection 4 amended

NEW subsection 6 and former subsections 6 – 8 amended and renumbered as 7 – 9

NEW subsections 10 and 11 and former subsection 9 amended and renumbered as 12

Former subsections 10 and 11 stricken, rewritten, and renumbered as 13 and 14

NEW subsections 15 and 16 and former subsection 12 amended and renumbered as 17

Former subsection 13 renumbered as 18